

CHAPTER NO. 999

SENATE BILL NO. 2734

By Rochelle

Substituted for: House Bill No. 2446

By Head, Davidson, Kerr, Bowers, Dunn, Kernell, Walker, Lewis, Ferguson, Baird, Givens, Windle, Buck, McMillan, West, Williams, McDonald, Fraley, Whitson, Bone, Curtiss

AN ACT To amend Tennessee Code Annotated, Title 9, Chapter 4, to enact the Tennessee Millennium Trust.

WHEREAS, In December of 1998, Tennessee joined in the historic Attorneys General Master Tobacco Settlement Agreement; and

WHEREAS, This agreement provides for the payment to Tennessee of almost five billion dollars (\$5,000,000,000) over a twenty-five-year period ending in 2025; and

WHEREAS, This amount represents around two-thirds (2/3) of the state tax revenue for the 1998/1999 fiscal year, and is obviously an unparalleled, unique occurrence; and

WHEREAS, This unprecedented windfall should be safeguarded for future generations of Tennesseans and not frittered away on normal expenses of government or expended on unsustainable programs or projects, nor supersede Tennessee's tradition of careful management of public resources and expenditures; and

WHEREAS, The burden of absorbing a disproportionate amount of health care costs has been shifted to certain health care providers with either inadequate or no reimbursement; and

WHEREAS, Farmers in Tennessee have been and will continue to shoulder a substantial financial impact by the reduction or elimination of acreage for production of tobacco; and

WHEREAS, The most prudent and beneficial use of this long-term, but finite, resource is to place the payments in trust and expend only the resulting income; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. (a) All funds received by the state during fiscal year 2000 – 2001 pursuant to the master settlement agreement entered into by Tennessee and other states, United States territories and possessions, and participating tobacco manufacturers, dated November 23, 1998, shall be deposited in the reserve accounts in the State General Fund created pursuant to this act.

(b)(1) There is created in the State General Fund an agricultural reserve account and a health reserve account. Fifty percent (50%) of the funds received under the master settlement agreement pursuant to the provisions of subsection (a) shall be deposited in the health reserve account and fifty percent (50%) in the agricultural reserve account. Income from investments of funds in the agricultural

reserve account shall be deposited in the agricultural reserve account and income from investments of funds in the health reserve account shall be deposited in the health reserve account. No funds in such reserve accounts shall revert to the State General Fund.

(2) Funds deposited in the agricultural reserve account may only be expended in accordance with appropriations made by the General Assembly.

(3) Funds deposited in the health reserve account may only be expended in accordance with appropriations made by the General Assembly.


SECTION 2. There is hereby created an agricultural fund committee to be composed of five (5) members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and five (5) members of the Senate, to be appointed by the Speaker of the Senate. The Commissioners of Finance and Administration, Agriculture, Health and Education shall be ex officio, nonvoting members of the agricultural fund committee. Such committee shall make recommendations to the General Assembly, no later than January 15, 2001, regarding uses and expenditure of funds in the agricultural reserve account and future payments, if any, received pursuant to the master settlement agreement entered into by Tennessee and other states, United States territories and possessions, and participating tobacco manufacturers, dated November 23, 1998.

SECTION 3. There is hereby created a health fund committee to be composed of five (5) members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and five (5) members of the Senate, to be appointed by the Speaker of the Senate. The Commissioners of Finance and Administration, Agriculture, Health and Education shall be ex officio, nonvoting members of the health fund committee. Such committee shall make recommendations, no later than January 15, 2001, to the General Assembly regarding uses and expenditure of funds in the health reserve account and future payments, if any, received pursuant to the master settlement agreement entered into by Tennessee and other states, United States territories and possessions, and participating tobacco manufacturers, dated November 23, 1998.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: June 28, 2000


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this day of 2000

DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had Senate Bill No. 2734 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.